

BRITISH COLUMBIA POWER CORPORATION LIMITED

ANNUAL REPORT



1933

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BRITISH COLUMBIA POWER CORPORATION
LIMITED

ANNUAL REPORT

For the year ended June 30th
1933

1933

BRITISH COLUMBIA POWER CORPORATION LIMITED

Officers

W. G. MURRIN	-	-	-	-	-	-	-	-	-	-	<i>President</i>
A. T. GOWARD	-	-	-	-	-	-	-	-	-	-	<i>Vice-President</i>
E. H. ADAMS	-	-	-	-	-	-	-	-	-	-	<i>Vice-President</i>
J. I. NEWELL	-	-	-	-	-	-	-	-	-	-	<i>Vice-President</i>
E. ROGERS	-	-	-	-	-	-	-	-	-	-	<i>Secretary</i>
E. H. ADAMS	-	-	-	-	-	-	-	-	-	-	<i>Treasurer</i>

Directors

HON. SIR F. S. BARNARD, K.C.M.G.	SIR HERBERT HOLT
C. E. CALDER	GEORGE KIDD
JOHN DAVIDSON	W. G. MURRIN
S. GODIN, JR.	A. J. NESBITT
A. T. GOWARD	RT. HON. VISCOUNT ROTHERMERE
J. H. GUNDY	P. A. THOMSON
ANDREW P. HOLT	W. J. BLAKE WILSON

J. B. WOODYATT

THE ROYAL BANK OF CANADA	-	-	-	-	-	-	-	-	<i>Bankers</i>
ROYAL TRUST COMPANY	-	-	-	-	-	-	-	-	<i>Registrar</i>
MONTREAL TRUST COMPANY	-	-	-	-	-	-	-	-	<i>Transfer Agent</i>
PRICE, WATERHOUSE & CO.	-	-	-	-	-	-	-	-	<i>Auditors</i>

Head Office of the Corporation

B. C. ELECTRIC BUILDING
Vancouver, B. C., Canada

FACTS ABOUT YOUR CORPORATION AND ITS SUBSIDIARIES

(As at June 30, 1933)

1. It serves a territory of over 1,500 square miles;
2. It renders service to a population of over 385,000, embracing 27 different communities;
3. It has 9 hydro-electric plants and 3 steam plants;
4. It has 66 substations and transformer stations;
5. It has 577 miles of high-tension transmission lines;
6. It has 2,220 miles of distribution pole lines;
7. It has 40 city street car and bus routes;
8. It has 4 interurban lines;
9. It employs 3,300 people;
10. It paid out in wages and salaries during the year more than \$4,800,000;
11. It operates 192 miles of street car lines;
12. It operates 157 miles of interurban car lines, a total of 349 miles;
13. It operates 421 city and interurban passenger cars;
14. It operates 12 electric locomotives;
15. It operates 434 express freight and service cars;
16. It operates 60 motor buses and 12 motor freight trucks;
17. It operates 335 miles of motor bus and 103 miles of motor freight service;
18. It operated 16,371,933 passenger car and bus miles during the year;
19. The power generated by its power plants during the year totalled 452,817,100 K.W.H.;
20. It operates 11 stores for the sale of electric and gas appliances;
21. It has 3 gas plants, with a total daily capacity of 11,000,000 cubic feet.

BRITISH COLUMBIA POWER CORPORATION LIMITED

NOTICE OF ANNUAL GENERAL
MEETING OF SHAREHOLDERS

Vancouver, September 12, 1933.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of the British Columbia Power Corporation Limited will be held in the Auditorium of the B. C. Electric Building, 602 Granville Street, Vancouver, B. C., on Thursday, the 28th day of September, 1933, at the hour of 11.30 o'clock a.m.:

- (1) To receive the Annual Report of the Directors;
- (2) To receive the audited Balance Sheet made up to June 30, 1933, and Statement of Income and Expenditure for the financial period ending on that date;
- (3) To elect Directors for the ensuing year;
- (4) To appoint Auditors for the ensuing year; and
- (5) For the transaction of such other business as may legally come before the meeting.

By Order of the Board of Directors,

ERNEST ROGERS,

Secretary.

BRITISH COLUMBIA POWER CORPORATION LIMITED

Owms and controls the following companies:

BRITISH COLUMBIA ELECTRIC RAILWAY COMPANY, LIMITED.

BRITISH COLUMBIA ELECTRIC POWER & GAS COMPANY, LIMITED.

VANCOUVER POWER COMPANY, LIMITED.

WESTERN POWER COMPANY OF CANADA, LIMITED.

BRIDGE RIVER POWER COMPANY, LIMITED.

BURRARD POWER COMPANY, LIMITED.

VANCOUVER ISLAND POWER COMPANY, LIMITED.

NATIONAL UTILITIES CORPORATION, LIMITED.

VANCOUVER, FRASER VALLEY & SOUTHERN RAILWAY COMPANY.

COLUMBIA ESTATE COMPANY, LIMITED.

BRITISH COLUMBIA RAPID TRANSIT COMPANY, LIMITED.

VICTORIA ELECTRIC COMPANY, LIMITED.

VICTORIA GAS COMPANY, LIMITED.

ANNUAL REPORT

of the Directors of

BRITISH COLUMBIA POWER CORPORATION LIMITED

Submitted at the Fifth Annual Meeting of the Shareholders held on
Thursday, 28th September, 1933.

TO THE SHAREHOLDERS:

Your Directors beg to submit the following Report and Financial Statements covering the operations of your Company and its Subsidiaries for the year ended 30th June, 1933.

INCOME AND EXPENSE STATEMENT

Gross Revenue \$12,825,554.59

EXPENSES:

Operating Expenses	\$5,804,571.26
Income and Property Taxes	1,157,612.86
Depreciation and Renewals Reserve	1,827,104.17
	8,789,288.29

Net Revenue \$ 4,036,266.30

Deduct—

Bond Interest, proportion of Bond Discount written off and Preference Dividends	2,499,118.71
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	\$ 1,537,147.59
Dividends on Class A Shares for the year	2,000,000.00

Deficit for the year	\$ 462,852.41

REVENUE

The adverse business conditions which have prevailed throughout the year are reflected in the foregoing Income and Expenditure statement. The revenue from all departments shows a decrease of \$1,531,287, or approximately 10.6%, as compared with the previous year. Our transportation business, in common with all similar services throughout the country, has been more particularly affected, showing a decline of 12.2% from last year. Every effort has been made to find new outlets for the sale of electricity and gas, and in spite of the curtailment of buying power it is satisfactory to record that sales of electrical and gas appliances to our customers amounted to \$603,000, and that 1,129 new consumers of electricity were added during the year.

EXPENSES

The expenses of operation and maintenance have, by introducing every possible measure of economy without impairing plant or services, been reduced by \$838,332. General reductions have been made in wages and salaries, and in this connection it is satisfactory to record the full co-operation of all employees in all endeavours to meet the problems arising from this period of financial stress and to render efficient service to the public.

NET REVENUE

The net revenue for the year, after taxes and depreciation, and after providing for all fixed interest and dividend payments, was \$1,537,147, as compared with \$2,009,339 for the previous year.

PLANT ADDITIONS AND BETTERMENTS

With the exception of the additions to our Mainland gas manufacturing facilities, which were under construction at the time of our last report, capital expenditures have been kept to a minimum and have been confined to extensions of services which were warranted from a revenue standpoint, or as a result of local development or changes arising out of existing operating conditions.

The expenditures on Capital Account amounted to \$1,120,124, of which \$709,539 was expended on the new gas plant.

GENERAL OPERATIONS

LIGHT AND POWER SYSTEM—The general curtailment in the use of energy for both industrial and domestic purposes is reflected in the K.W.H. output. With the decline in the demand for British Columbia timber products many mills which are ordinarily large customers of ours were completely shut down, and other local industries, many of which depend to a considerable extent on patronage from these mills, were compelled to reduce their consumption of electrical energy.

In consequence of the industrial inactivity resulting in considerable unemployment, domestic consumption has suffered, and the collection of accounts has presented greater difficulties than in the past. At the time of this report, however, there are indications of improvement, evidenced by the reopening of several mills and factories, thus lessening unemployment.

A comparison of the light and power output and number of consumers is as follows:

	K.W.H.	CONSUMERS	MOTOR LOAD IN H.P.
1933	324,085,930	122,298	159,377
1932	346,549,095	121,169	159,839
1931	372,282,045	118,267	157,100
1930	351,047,572	110,436	151,244
1929	342,627,810	105,908	141,378

GAS SYSTEM—With the completion in February, 1933, of the first units of our Mainland manufacturing plant, which is now in continuous operation, a very large part of the gas used on the Mainland is supplied by this plant. The new plant has proven satisfactory and has had a beneficial effect on operating conditions. It has also resulted in the production of a greatly improved quality of by-product coke, the demand for which is being fostered and developed through the activity of our sales organization.

The relative results of our Gas Department are as follows:

	GAS SOLD CUBIC FEET	GAS CONSUMERS	MILES OF MAINS
1933	1,221,304,000	49,269	604.39
1932	1,313,074,000	50,728	590.17
1931	1,272,870,000	50,697	572.42
1930	1,263,048,000	48,307	539.02
1929	1,192,433,000	45,163	491.33

The apparent decrease in the number of gas consumers in 1933 is largely accounted for by customers taking advantage of certain combination rates whereby gas for heating as well as general use is now measured through one meter where two meters were formerly employed.

RAILWAY SYSTEM—The number of passengers carried and the tonnage of freight hauled have further declined during the year. Notwithstanding the most careful scrutiny of expenses, and the rigid economies which have been introduced consistent with the maintenance of the service, the railway system has been operated at a loss.

The passengers carried and freight tonnage hauled are as follows:

	PASSENGERS CARRIED	FREIGHT TONNAGE
1933	63,190,419	218,776
1932	69,862,419	249,285
1931	74,249,659	343,320
1930	76,113,550	454,111
1929	77,694,731	533,391

TAXATION

Reference has been made in previous reports to the very large sums paid to the Municipal, Provincial and Dominion authorities by way of property and income taxes, which continue to absorb more than 25% of the net revenue of the Company.

Indirect taxes, such as sales tax, gasoline tax and stamp taxes, have been increased from time to time, and due to the manner of their collection are apt to be lost sight of. Such indirect taxes for the year amounted to over \$60,000.

GENERAL

The year under review has been a very difficult one and has been a most severe test of business administration in both the industrial and the domestic fields. In this connection the Directors would like to express their appreciation of the earnest endeavours of all employees in all branches of the service in carrying out their duties so efficiently during one of the most trying periods in our history.

Our dealings with the various Municipal and Provincial authorities have been conducted in a friendly and harmonious way, and while additional burdens by way of taxation have been imposed on the Company, and have to some extent offset the economies effected by the Company, we are glad to state that the taxation authorities have recognized that the welfare of this and similar companies is important to the credit of the Province, and have given full consideration to the representations which have been made by the Company as to the effect of taxation changes.

We are operating one of the largest businesses in the Province, calling for the expenditure of large sums of money locally in materials and wages, and it has been recognized by local authorities that the maintenance of the Company's credit, to enable it to attract capital to provide for the needs of the community, is a material factor in the well-being of the Province.

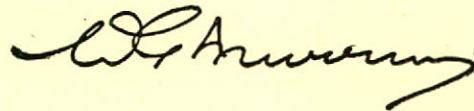
While it is impossible to speak definitely of the future, there are indications that we may reasonably anticipate improved business conditions. The activity in mining in British Columbia, particularly in the Bridge River district where we have large water power resources, the improvement in the lumber and shingle market which has already been referred to, taken in conjunction with the signs observable throughout Canada and in other countries of improved basic conditions, would seem to justify a

reasonable hope that the territories served by your Company and all branches of your business will be favourably affected by the renewed activity which is now in evidence.

AUDIT OF ACCOUNTS

The Balance Sheet and Accounts have been certified by Messrs. Price, Waterhouse & Co., Chartered Accountants.

Respectfully submitted on behalf of the Board,

A handwritten signature in dark ink, appearing to read "W. L. Anderson", written in a cursive style.

President.

BRITISH COLUMBIA POWER
AND SUB

Consolidated Balance Sheet

ASSETS

CURRENT AND WORKING ASSETS:

Cash at Bank and at Call.....	\$2,179,179.00	
Accounts Receivable	1,484,940.49	
Insurance Unexpired and Prepaid Items.....	194,036.03	
Employees' Housing Loans, Mortgages, etc.....	503,184.82	
Stores, Materials and Supplies.....	1,745,138.42	
	\$6,106,478.76	
Investments at Book Value (market value at June 30, 1933, \$1,196,882.75).....	1,440,319.75	
		\$ 7,546,798.51

BOND DISCOUNT—Balance 331,034.00

PROPERTY ACCOUNT:

Balance as at June 30, 1932, and additions during year..... 137,682,197.15

\$145,560,029.66

Approved on behalf of the Board,


Director.


Director.

CORPORATION LIMITED

SIDIARIES

as at June 30, 1933

LIABILITIES

CURRENT AND ACCRUED LIABILITIES:

Accounts Payable, including Reserve for Income	
Taxes	\$1,904,176.39
Debenture and Bond Interest accrued.....	503,531.05
Dividends declared, since paid	749,600.00
	\$ 3,157,307.44

BONDED DEBT (as per statement attached).....	38,849,091.27
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CAPITAL STOCKS OF SUBSIDIARY COMPANIES HELD BY PUBLIC:

<i>British Columbia Electric Railway Co. Ltd.—</i>	
5% Cumulative Perpetual Preference	
Stock	\$6,984,000.00
<i>British Columbia Electric Power & Gas Co. Ltd.—</i>	
6% Cumulative Preference Shares.....	5,000,000.00
Minority Shareholders of Subsidiary Com-	
panies	3,446.25
	11,987,446.25

RESERVES:

Depreciation and Renewals.....	\$23,834,504.43
General and Accident	1,356,655.17
	25,191,159.60

CAPITAL STOCK AND SURPLUSES (as per statement attached)	66,375,025.10
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Represented by—

1,000,000 Class A Shares and 1,000,000 Class B Shares, part of an authorized issue of 1,500,000 Class A Shares and 1,500,000 Class B Shares, both classes without nominal or par value.

\$145,560,029.66

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the Books and Accounts of the British Columbia Power Corporation Limited and its Subsidiary Companies for the year ended June 30, 1933, and have obtained all the information and explanations which we have required, and we report that, in our opinion, the above Consolidated Balance Sheet as at June 30, 1933, is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Corporation and its Subsidiary Companies, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

VANCOUVER, B. C.,
August 15, 1933.

PRICE, WATERHOUSE & CO.,
Chartered Accountants.

BRITISH COLUMBIA POWER CORPORATION LIMITED
AND SUBSIDIARIES

*Capital Stock and Consolidated Surplus and Profit and Loss Account
as at June 30, 1933*

CAPITAL STOCK AND SURPLUSES:

Balance as at June 30, 1932..... \$65,365,764.59

PROFIT AND LOSS ACCOUNT:

Balance as at June 30, 1932..... \$1,472,112.92

YEAR ENDED JUNE 30, 1933—

Gross Revenue \$12,825,554.59

Less—

Operating Expenses,
including Municipal Taxes..... \$6,478,048.77

Provision for De-
preciation and
Renewals 1,827,104.17

Provision for In-
come Taxes 484,135.35

8,789,288.29

Net Revenue \$ 4,036,266.30

Deduct—

Interest on Bonded Debt, propor-
tion of Bond Discount written
off and Dividends on Preference
Stocks of Subsidiary Companies 2,499,118.71

1,537,147.59

\$3,009,260.51

Deduct—

Dividends on Class A Shares for the year ended
June 30, 1933..... 2,000,000.00

1,009,260.51

Balance carried forward..... \$66,375,025.10

BRITISH COLUMBIA POWER CORPORATION LIMITED
AND SUBSIDIARIES

Bonded Debt as at June 30, 1933

BRITISH COLUMBIA POWER CORPORATION LTD.:

5½% First Refunding and Collateral Trust Sinking
Fund Gold Bonds, Series "A," maturing March 1,
1960—

Authorized and Issued \$10,000,000.00

5% First Refunding and Collateral Trust Sinking
Fund Gold Bonds, Series "B," maturing March 1,
1960—

Authorized and Issued 4,000,000.00

\$14,000,000.00

BRITISH COLUMBIA ELECTRIC RAILWAY CO. LTD.:

4¼% Perpetual Consolidated Debenture Stock £2,788,170 0 0

@ \$4.85 13,522,624.50

VANCOUVER POWER CO. LTD.:

4¼% Perpetual Guaranteed Debenture Stock—

Authorized £1,917,350, of which issued £1,500,000 0 0

@ \$4.85 7,275,000.00

WESTERN POWER CO. OF CANADA LTD.:

First Mortgage 5% Sinking Fund Gold Bonds,
maturing July 1, 1949—

Authorized and Issued \$ 5,000,000.00

Less—

Redeemed \$669,233.24

Held by British Columbia

Electric Railway Co. Ltd. 279,299.99

948,533.23

4,051,466.77

As per Consolidated Balance Sheet \$38,849,091.27

